



UNITED BROTHERHOOD  
of CARPENTERS & JOINERS  
of AMERICA

Douglas J. McCarron  
General President



INTERNATIONAL UNION  
of OPERATING ENGINEERS

Vincent J. Giblin  
General President

**Testimony of  
Jeffrey Soth  
On behalf of the  
National Construction Alliance II**

**Transportation and Infrastructure Committee  
Subcommittee on Water Resources and Environment  
U.S. House of Representatives  
July 15, 2010**

Thank you, Subcommittee Chairwoman Johnson, Ranking Member Boozman, and distinguished members of the Water Resources and Environment Subcommittee.

My name is Jeffrey Soth. While I am the Assistant Director of the Legislative and Political Department of the International Union of Operating Engineers, I am testifying today on behalf of the National Construction Alliance II, a partnership between two of the nation's leading construction unions: my union, the Operating Engineers, and the United Brotherhood of Carpenters and Joiners. The two unions of the Alliance represent nearly one-million workers – many of the same workers who build the nation's clean water infrastructure. We sincerely appreciate the opportunity to testify before the subcommittee today.

Chairwoman Johnson, the NCA II values the commitment made by Congress and the Administration to re-energize the national economy through infrastructure investments, particularly clean water investments, in the Recovery Act. Those members who supported the stimulus, quite literally, pulled the construction industry back from the precipice. The industry, however, is still on the ledge. It is clear that public works spending should have played a larger role in the Recovery Act. Consequently, more must be done as quickly as possible to restore construction employment and begin to fill the dramatic need for clean water investments across the country.

Despite the massive infusion of federal dollars into construction, the construction industry is still in dire straits. Private construction, particularly residential and commercial construction, has fallen off precipitously. Additionally, most state and local governments have reduced construction spending. According to the Census Bureau, construction spending was down over 13% in the first four months of 2010 compared to 2009. This figure is particularly alarming since 2009, as you know, was one of the worst years on record for the industry. Last year the construction industry unemployment rate peaked at over 21%. In February of this year, the unemployment rate in the construction industry exceeded 27%. The most recently available data shows that in June the unemployment rate in the construction industry exceeded 20%. Almost 1.8-million construction workers are unemployed and looking for work. Since its peak in August 2006 at more than 7.7 million jobs, construction employment has fallen by over 2.1-million jobs, or 28%, to less than 5.6-million jobs in June 2010.



Unfortunately, the same is true for employment in the "water and sewer system" sub-sector of the construction industry. Please see the chart on the last page of my testimony. It shows average annual employment in the water and sewer system subsector of construction from 2000-2009. You can see the steep employment drop in the last two years. Employment plummeted in the subsector by over 21% between 2007 and 2009. This year will, no doubt, see employment fall even farther.

The National Construction Alliance II firmly believes that the best way to restart the ailing construction economy is to get hard-working Americans back to work by rebuilding the national infrastructure, including wastewater systems. These investments will employ thousands of construction workers, clean up the nation's environment, improve the public health of Americans, and accommodate the country's growing population.

Capacity and expertise in the construction industry are being lost at an alarming rate. The nation simply cannot afford to keep losing construction jobs. They provide family-supporting wages to millions of workers, both union and non-union. The average wage for production and non-supervisory workers in construction was over \$23 in June. Because of their training, productivity, and skill levels, construction workers who are fortunate enough to carry a union card with the Carpenters or Operating Engineers typically earn even more than these average wages.

In partnership with construction contractors, the Carpenters and Operating Engineers maintain apprenticeship and training programs that train the next generation of skilled craft workers. The apprenticeship model delivers careers, not merely jobs, for hard-working members of the NCA II. But in order to bring an individual apprentice through their program, which for Carpenters and Operating Engineers typically consists of three or four years of on-the-job training and classroom instruction, there must be continuity of work. The apprenticeship model depends on employment and on-the-job training. The high unemployment jeopardizes the future of the industry, making it impossible to deliver the required on-the-job training hours for a worker to develop his or her skills.

There can be no doubt about the need for clean water infrastructure across the nation. The need for these investments has been documented by study after study. Whether it is the Environmental Council of the States or the Environmental Protection Agency's recently released Needs Survey Report to Congress, the results are the same: America needs a dramatic investment in clean water infrastructure. According to the EPA Needs Survey, there are nearly \$300-billion in capital needs for public wastewater, combined sewer overflow, and stormwater management. According to a 2007 report by American Rivers, "best estimates indicate that over 850-billion gallons of raw sewage from combined sewer systems flow into our waterways every year." Virtually all of these investments would be eligible for resources under the Clean Water Act-State Revolving Fund.

All 50 States met the requirement that 100 percent of their Clean Water Act-State Revolving Fund projects be under contract within one year of enactment (February 17, 2010). All states met this requirement. What is disappointing, however, is to see that some states fail to come through on their end of the federal-state partnership in the Clean Water Act-State Revolving Fund. For example, while the state of Louisiana has been able to place 100% of their funds under contract,



consistent with the accountability mandates of the American Recovery and Reinvestment Act, the state only has about two-thirds of their projects underway. With over one-third of its clean water investments not yet underway, the state has failed to maximize the employment opportunities associated with federal resources.

Madame Chairwoman, despite all of your committee's hard work, the nation's construction workers are still struggling. And the nation's water infrastructure needs still require further investment. There are several short- and long-term measures that the National Construction Alliance II respectfully suggests that Congress undertake to restore employment in water and sewer construction and the broader construction industry.

First, continue to exercise your aggressive oversight on state and local governments, encouraging them to undertake the construction projects that Congress funded in the Recovery Act. Members of the NCA II and other construction workers in Louisiana, for example, need you to bring pressure to bear on state and local governments that have not yet put your investments to work. Second, make another large investment in clean and safe drinking water in the annual appropriations process. While last year's appropriation, which more than doubled the Fiscal Year 2009 appropriation, was a much needed investment and great start, clean water infrastructure and construction workers urgently need further investment. Third, pass the Clean Water Act-State Revolving Fund re-authorization. As the committee is painfully aware, it was over 20 years ago that the last authorization was enacted into law. Despite bi-partisan support and passage of H.R. 1262 in the House chamber and bi-partisan support for S. 1005 as it passed in the Senate Environment and Public Works Committee, the legislation languishes in the Senate awaiting floor action. Please urge Senate leadership to pass the bill immediately. Lastly, NCA II urges you to support the bi-partisan Water Protection and Reinvestment Act, H.R. 3202. It delivers a water trust fund, with dedicated revenues for clean and safe drinking water investments. This approach would dedicate long-term financing to the nation's water infrastructure, while relieving pressure on general revenue.

Chairwoman Johnson and members of this committee, we must not lose momentum on the nation's economic recovery. Now is not the time, frankly, to focus the nation's fiscal attention on deficits and debt. The economy – the construction sector in particular – is still too fragile. Tax revenue will not rebound as long as so many construction workers are in the unemployment lines. The construction industry is still in a deep, deep recession. Some have said, in fact, that while the broader economy is in recession, the construction industry is in depression. With over 27% unemployment in February, you can see why they would say it. Members of the NCA II, unfortunately, feel the economic insecurity every day.

We are eager to continue to work with you in what's left of the 111<sup>th</sup> Congress to advance the cause of "Putting America Back to Work Through Clean Water Infrastructure Investment."

Thank you very much for the opportunity to testify this morning.

# Water and Sewer System Annual Average Construction Employment 2000 - 2009

